



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

In submitting the report on *Cotton Production, 1914* (Washington, Bureau of the Census, 1915, pp. 30), it is announced that henceforth only one annual report on cotton instead of two will be published. Heretofore one has been issued in June on the production of cotton for the preceding crop, and one in October on the supply and distribution of cotton for the year ending August 31. As the cotton exchanges and statistical bodies have generally agreed on a change in the cotton year from the twelve months ending August 31 to the twelve months ending July 31, all reports of the movement of cotton now relate to the year beginning August 1.

From the Department of Agriculture have been received reprints from the *Year Book* of the Department for 1914: *Coöperative Marketing and Financing of Marketing Associations*, by C. E. Bassett and Clarence W. Moomaw (pp. 185-210); *Movement from City and Town to Farms*, by George K. Holmes (pp. 257-274); and *Retail Public Markets*, by G. V. Branch (pp. 167-184).

No. 97 of the Special Agents Series issued by the Department of Commerce (Washington, pp. 127) is devoted to *Commercial Laws of England, Scotland, Germany and France* and is prepared by A. J. Wolfe and E. M. Borchard. Others in this series are *Commercial Organizations in France*, by A. J. Wolfe (No. 98, pp. 75); *Cottonseed Industry in Foreign Countries*, by Thomas H. Norton (No. 99, pp. 73); and *Philippine Markets for American Lumber*, by Franklin H. Smith (No. 100, pp. 16).

Tariff Series No. 24 is a revised edition of *Consular Regulations of Foreign Countries (Canada and Latin-America)* prepared by L. Domeratzky (Washington, Department of Commerce, pp. 66).

The following series of business handbooks has now been issued by the Bureau of Foreign and Domestic Commerce: *Australia*, issued in 1911; *New Zealand*, 1912; *Russia*, 1913; *Alaska, Hawaii, Porto Rico, and Philippines*, 1913; *Canada and Newfoundland*, 1913; *South America*, 1914; *Dominican Republic*, 1914; and *British India*, issued in 1915.

The Department of Commerce, in its Miscellaneous Series No. 27, has issued a *Directory of American Sawmills*, prepared by J. C. Nellis and A. H. Pierson (pp. 260).

The Bureau of Mines issues a brief report on *Production of Explosives in the United States during 1914*, compiled by Albert H. Fay.

Of interest is Technical Paper 83, of the Bureau of Mines, on *The Buying and Selling of Ores and Metallurgical Products*, by Charles H. Fulton (Washington, 1915, pp. 43).

The Board of Commissioners of the Port of New Orleans has printed Volume I of *Analysis of Present Operation of the Port of New Orleans with Present and Proposed Systems of Rates*, by Ford, Bacon and Davis, Engineers (New Orleans, 1915, pp. 154). It contains a discussion of the port rate systems, a statement of the port charges as existing at New Orleans, Galveston, Mobile, New York, Philadelphia, and San Francisco, also a compilation of statistics of business operation, and a proposed rate system.

Investigation and Analysis of the Production, Transportation, Inspection and Distribution of Milk and Cream in New England, a bulletin of 63 pages, was recently issued by the Boston Chamber of Commerce (Boston, July, 1915). Mr. G. C. White, transportation specialist of the Office of Markets and Rural Organization, United States Department of Agriculture, and Professor R. H. Ferguson, of the department of agricultural economics of the Massachusetts Agricultural College, assisted in the collection and compilation of data for the bulletin. A brief introduction discusses the past and present conditions of the industry. The first chapter is devoted to the cost of production and the factors determining it. Chapter two takes up the subjects of collection, transportation, processing, and distribution. This includes also a classification of milk dealers, methods of transportation with some discussion of the rates and routes, the cost of distribution, and the prices to the consumer. The problems in the sale and distribution of these products are set forth in the third chapter; while the fourth emphasizes the need of proper inspection, grading, and standardization. The last section is devoted to suggestions and recommendations. Among the recommendations are coöperation among producers and distributors, uniform freight rates, better accounting systems for the dealers, and the dissemination of knowledge concerning the food values of milk and milk products.

A. E. CANCE.

Upon application to the author, copies may be had of an address on *The Problems of Port Development* presented by Edward F. McSweeney, chairman of the directors of the port of Boston, at the fourth annual convention of the American Association of Port Authorities, at Los Angeles, September, 1915.

The National City Bank of New York has for distribution *Economic Effects of the War*, an address delivered by George E. Roberts of the National City Bank before the West Virginia Bankers' Association in July (pp. 22).

An address delivered before the Alabama State Bar Association at Montgomery by Francis G. Caffey, solicitor for the federal Department of Agriculture, on *The United States Cotton Futures Act*, is published by the Office of Markets and Rural Organization (Washington, Aug. 11, 1915, pp. 80).

From the Ontario Department of Agriculture has been received Bulletin 234, *Organization of Coöperative Marketing Associations*, by F. C. Hart (Toronto, Aug., 1915, pp. 23).

Corporations

CENTRAL ELECTRIC STATIONS. With the volumes on *Telephones and Telegraphs* and the section in the *Census of Manufactures on Electrical Machinery and Supplies*, the report on *Central Electric Light and Power Stations and Street and Electric Railways with Summary of the Electrical Industries, 1912*, made by the Bureau of the Census (Washington, 1915, pp. 440), forms a survey of advancement in the industries founded on the applications of electricity. The progress of the central stations during the period 1907-1912 has been accompanied by further centralization of ownership and by important technical improvements. Also it has been marked by the growth of larger plants: the turbine has come into more general use in place of the steam engine, and the apparatus installed—steam engines, turbines, and dynamos—has been of greater capacity. Water power has been exploited still further: use of high voltage transmission in connection with both hydraulic and steam plants has made possible the abandonment of small stations and the utilization at distant points of energy generated on a large scale at strategically located centers. Improvement in the tungsten incandescent lamp has resulted in its substitution for the arc lamp for general commercial purposes, and also in its extensive use for street lighting. Electricity has been adapted to an increasing variety of industrial uses, both on a small and large scale, as is evidenced by the number of motors installed, particularly in the sections where water power has been developed. These changes have enhanced the importance of the central stations until their output of energy has become about double that of the street railways. In a number of cases, notably in Chicago and Philadelphia, the central

stations have taken over the task of applying current for street railway operations, and the movement in this direction has continued since 1912. The cost of electricity has been cheapened with more efficient generating methods and increased density of distribution.

Development in the street railway industry during the period covered by the census has been in the main along the lines of a more intensive utilization of existing facilities. In keeping with the tendency towards concentration and centralization, there has been little increase in the number of companies reported, but considerable growth in the average size of the companies, as indicated by miles of track operated and volume of business. Moreover, earnings have been added to in greater ratio than line or equipment, owing to the increasing density of traffic brought about by growth of population. Street railway traffic has increased much more rapidly than the passenger business of the steam railroads during the past decade. The expansion of traffic was sufficient to permit of a lower operating ratio in 1912 than in 1907 in spite of the fact that apparently larger provision was made for depreciation. Income has grown faster than capitalization, allowing for greater returns to stockholders.

The large mass of statistical data on central stations and street railways is supplemented by a discussion of the technical advances for the period in two reports by Thomas Commerford Martin which go far beyond the statistics collected by the Census Bureau and constitute a valuable record. They are mainly concerned with engineering and construction, describing new plants and new apparatus and equipment installed during this period. Many other topics, such as rates and fares and public regulation, are touched upon in a cursory way, the treatment resting upon a limited use of secondary material rather than on independent investigation. The problems and methods of rate regulation are merely indicated in an abstract of a paper on the work of the Wisconsin commission, and no account is given of the activities of the New York and other commissions in this field. Moreover, no attention is paid to the work of public utility commissions in regulating security issues.

Schedules of electric rates are reported for only a limited number of cities. Thus the rate schedule for Brooklyn is not given, although that used by the company operating in one of the wards of Brooklyn (Flatbush) is included. The schedule as reported for the New York Edison Company omits the power rate and the very important wholesale rates. In the section on street railways there is a valuable analysis of contracts for power between central stations and street and

steam railways. A table is given showing the average of rates in thirty cities on the basis of bills for typical installations and the same consumption of current, for which the details by cities would have been desirable. This table rests on the only practical method devised for comparing schedules founded on different principles, and future census inquiries might profitably include a comparative study of electric rates in cities on this basis.

Mr. Martin includes in his report, without criticism, statements from a memorandum submitted by the New York Edison Company to the Public Service Commission in a rate case, on the profitability of certain classes of customers, the rate reduction made to small customers in 1911, and the cost of making service connections. These statements might well be qualified in view of the action of the commission in that case and the extended analysis of the record appearing in Commissioner Maltbie's opinion. In the street railway section, there is embodied the substance of a report to the American Electric Railway Association on the profitable limits of a five-cent fare. The value of including in a government report data based on a limited investigation not made by its own agents and conclusions resting on debatable assumptions as to a fair return and proper valuation, may be questioned.

The detailed statistical data for both central stations and street railways are combined for presentation in state totals. This is not the natural basis of classification. For the large companies the data for each corporation or system are desirable for purposes of comparison, and for smaller companies classifications based upon extent of business would be most useful. As the reports which utility companies now make to state bodies constitute public records, there can be little objection to the publication of detailed company figures in the census. Future census reports, therefore, might well supplement or replace state totals by a presentation along the lines of the Interstate Commerce Commission reports which give the data by systems and companies.

H. G. FRIEDMAN.

DEPRECIATION DEDUCTION HELD VOID. A recent decision of the supreme court of Idaho has an important bearing upon the much discussed subject of a depreciation allowance in valuations. It has become customary on the part of the public service commissions to make a reasonable allowance for accrued depreciation in determining the value of a public utility for rate-making purposes. The utilities, on the other hand, have denied the validity of such a deduction. They

have maintained that as long as adequate service is provided it is no concern of the public what the amount of the accrued depreciation may amount to.

In reversing the stand taken by the Public Utilities Commission of Idaho and in sustaining the contention of the utility engineers the Idaho supreme court says:

So far as the question of depreciation is concerned, we think deduction should be made only for actual, tangible depreciation, and not for theoretical depreciation, sometimes called "accrued depreciation." In other words, if it be demonstrated that the plant is in good operating condition and giving as good service as a new plant, then the question of depreciation may be entirely disregarded.

The case under discussion was that of the Pocatello Water Company, for which the commission had undertaken to fix such rates as would afford a reasonable return on the investment. In doing so, however, it made a deduction of over \$77,000 for accrued depreciation. Commissioner Ramstedt gave a dissenting opinion in which he contended that property so subject to the control of the state that it can not be withdrawn from such control must always be kept in such a condition of efficiency that its services will be satisfactory to the public. This being the case, he argued that to allow a return only upon the depreciated value of the utility would be an injustice to the investor.

Although the decision of the state supreme court in reversing the decision of the public service commission is not final, the question is one of such far-reaching consequence that the final outcome in the United States Supreme Court will be awaited with great interest.

EARL A. SALIERS.

Sheffield Scientific School.

DECISION OF THE INTERSTATE COMMERCE COMMISSION IN RE ANTHRACITE RATES. Anthracite rates having long been the subject of complaint, the Interstate Commerce Commission in 1912 undertook a general investigation of the rates and practices governing the transportation of anthracite coal. Guided by the facts brought out in this investigation, the commission rendered a decision on July 30, 1915, declaring the present anthracite rates excessive. The case is significant because of the great weight attached by the commission to the cost of service. Conditions were held to be particularly favorable for computing the operating cost of transporting anthracite coal, as it originates in vast quantities from a comparatively small district, moves almost exclusively in car-load lots, and much of it even moves in solid

train loads. The operating cost of transportation was found to be much below the rates charged. From the standpoint of revenues, it was shown that the transportation of anthracite was exceptionally remunerative, notwithstanding the many instances wherein the anthracite carriers had dissipated their revenues in granting concessions and preferences of one kind and another to their subsidiary coal companies. The commission, therefore, ordered that anthracite rates be reduced.

Before the decision, the typical rate from the anthracite coal fields to tidewater had been \$1.60 to the upper ports, and \$1.55 to the lower ports, irrespective of the length of the haul.¹ The group system of rates thus prevailed. The rates which are to apply hereafter are \$1.45 and \$1.40, respectively, a reduction, therefore, of 15 cents a ton on the greater part of the anthracite traffic. The reduction in the rates to other than tidewater points was, as a whole, even greater. Whereas the rates under consideration by the commission had ranged from \$1.30 to \$2.00 before the decision, they now range from \$.85 to \$1.95. In the new rates due consideration has been given to the distance principle, as had not been the case previously.

The commission pointed out that the explanation of the high rates on anthracite lay in the desire of the anthracite railroads, occupying the dual and inconsistent position of public carrier and private shipper, to eliminate as a competitive factor the independent operator, whose output would otherwise compete with that mined by the subsidiary coal companies of the railroads. The frequent deficits shown by the railroad coal companies were, to the commission, proof that the freight rates had absorbed more than their fair share of the profits of the coal business. The payment by the railroads of the deficits of their coal companies and the other concessions granted to these companies in the way of free use of the carriers' funds and credit, the use of valuable property at inadequate rentals, etc., were held by the commission to be as pernicious as direct cash rebates, and in its order the commission assumed that the carriers would at once cease such discrimination. It is a striking fact—and one which gives cause for much reflection—that though twelve years have elapsed since the passage of the Elkins act, rebates in the transportation of anthracite coal still flourish.

ELIOT JONES.

State University of Iowa.

¹ For a detailed account, see *The Anthracite Coal Combination in the United States*, Harvard Economic Studies, vol. XI.

STATE LAWS CONCERNING FOREIGN CORPORATIONS. The great lack of uniformity in our state laws affecting corporations has long been recognized but the extent of that variation and the particulars in which one state differed from another have been ascertainable only by a laborious comparison of state statutes or by reference to a ponderous legal manual such as that edited by J. S. Parker. Consequently, the recent *Report of the Commissioner of Corporations on State Laws Concerning Foreign Corporations* (Washington, March, 1915, pp. 238) is a welcome addition to our store of systematized information upon this subject.

"The method of presenting the law adopted in this report," as described by the commissioner, "is the collation of constitutional and statutory provisions, by topics, in a systematic order which facilitates ready reference to the particular provisions in each state and a comparison of the provisions of the several states. In each case the words of the statutory or constitutional provisions are given in so far as is necessary to show the precise requirements of each state."

In part I of the report (pp. 11-168) are taken up the constitutional and statutory provisions which define the powers and duties of foreign corporations. Following the definition of foreign corporations and of "the right to do business" the report proceeds to an enumeration of the requirements for the filing of documents, such as charter, by-laws, etc., by foreign corporations desiring to do business in a state. Most commonly the filing of a copy of the state charter is called for but quite often additional information is requested and must be given if the corporation is to do business in that state. In order to bring it within the jurisdiction of the states in which it does business, the foreign corporation is usually required to appoint a resident agent or attorney in fact, upon whom process may be served. These provisions as well as those looking to a priority of the claims of domestic over foreign creditors are here collected. The restrictions upon the holding of property by foreign corporations, especially real estate, which obtain in many states, are taken up in detail; likewise, the state law respecting the power of eminent domain.

A valuable feature of the report is the data which have been gathered concerning the initial filing fees or license taxes which are found in nearly every state. These fall into two groups according to the basis upon which they are levied, either (1) according to capital invested or used in that state or (2) according to total capital stock of the corporation. Mention should also be made in this connection of the tabulated information concerning the annual license taxes which in some form or other are levied in thirty-three states.

Finally are collated the numerous provisions for annual reports, and the penal clauses for infraction or neglect of the state laws relative to foreign corporations. Concerning the latter it is said, "The penalties imposed for technical failure to comply with such prerequisites and other legal conditions are, in many instances, drastic and severe. The actual money lost by corporations due to alleged unwitting violations of the laws of the different states is undoubtedly very large."

Part II of the report (pp. 169-197) deals with the restrictions upon the power of the several states to exclude and impose conditions and restrictions upon foreign corporations seeking to do or doing business therein. A digest of the chief decisions bearing upon various rights of foreign corporations, especially those granted by the United States Constitution, is included.

The Bureau of Corporations has constantly been in favor of uniform state legislation upon corporations and has at every opportunity used its influence in furthering the movement. Also in this report, the commissioner takes occasion to recommend uniform legislation, and in the appendix is reprinted the fourth tentative draft of an act to make uniform the law of business corporations, which was prepared in August, 1914, under the direction of the commissioners on uniform laws in national conference.

H. R. TOSDAL.

The Bureau of Railway Economics, Washington, has issued a pamphlet on the *Statistics of Railways, 1904-1914, in the United States*. Tabulations are marked by clearness and convenience for use. They are based upon data furnished by the Interstate Commerce Commission and the Census Bureau.

A synopsis of the statement filed with the Interstate Commerce Commission by the Presidents' Conference Committee on *Federal Valuation of Railroads in the United States* may be had by application to Thomas W. Hulme, general secretary, 937 Commercial Trust Bldg., Philadelphia (pp. 41).

The Committee on Railway Mail Pay has printed a pamphlet entitled *What the Railway Mail Pay Problem Means to the Railroads* (W. F. Allen, secretary, 75 Church St., New York City, pp. 67).

The *Annual Report of the Department of City Transit of Philadelphia* for 1914 (pp. xxiii, 322) contains many ingenious maps illustrating the range of travel for various rates of fare.

The Public Service Commission of Massachusetts in January, 1915, made a report relative to *The Amount Invested in Street Railway and*

more than 32,000 persons or 25 per cent of the total employees in the entire industry.

No. 178, *Wages and Hours of Labor in the Boot and Shoe Industry: 1907 to 1914* (Aug., 1915, pp. 89), is based upon returns from 91 establishments employing over 53,000 persons or more than one quarter of the wage-earners in the entire industry. Facts are also given in regard to the variation of employment in the industry.

Three volumes of the Report of the United States Commission on Industrial Relations have been issued. The *Final Report of the Commission on Industrial Relations* (Washington, 1915, pp. 448) contains the report of Basil M. Manley, director, which in turn may be regarded as the report of the staff of investigators. Supplementary reports of the various commissioners are also included. A second volume is entitled *The National Erectors' Association and the International Association of Bridge and Structural Ironworkers*, by Luke Grant (pp. 192). A third is the *Report on the Colorado Strike*, by George P. West (pp. 189). As far as can be learned no provision has been made for the general distribution of these documents nor does inquiry secure any information as to how they may be purchased.

The State Board of Labor and Industries of Massachusetts has issued *Manual of the Labor Laws*, a compilation of the statutes relating to labor (Boston, 1 Beacon St., June, 1915, pp. 129).

Report No. 4 of the Department of Investigation and Statistics of the Industrial Commission of Ohio compiles *Industrial Accidents in Ohio, January 1 to June 30, 1914* (pp. 324).

In the bulletin issued August 1, 1915, by the Industrial Commission of Wisconsin is an analysis of the *Industrial Accidents* for the 2½ years ending December, 1914 (pp. 52). The tabulation includes 24,000 accidents. Analyses are presented by industries, by nature, extent, and location of injury, and by cause of accident.

The issue of the *Shoe Workers' Journal* for July, 1915, publishes the proceedings of the twelfth convention of the Boot and Shoe Workers' Union, held at Buffalo, June 21-29, 1915 (pp. 133). This report is of special interest on account of the large funds for benefits collected and distributed by the union.

The following reports deal with recent phases of the problem of unemployment:

Ontario Commission on Unemployment, Interim Report, July 20, 1915 (Toronto, 1915, pp. 11). This contains proposals for reducing un-

more than 32,000 persons or 25 per cent of the total employees in the entire industry.

No. 178, *Wages and Hours of Labor in the Boot and Shoe Industry: 1907 to 1914* (Aug., 1915, pp. 89), is based upon returns from 91 establishments employing over 53,000 persons or more than one quarter of the wage-earners in the entire industry. Facts are also given in regard to the variation of employment in the industry.

Three volumes of the Report of the United States Commission on Industrial Relations have been issued. The *Final Report of the Commission on Industrial Relations* (Washington, 1915, pp. 448) contains the report of Basil M. Manley, director, which in turn may be regarded as the report of the staff of investigators. Supplementary reports of the various commissioners are also included. A second volume is entitled *The National Erectors' Association and the International Association of Bridge and Structural Ironworkers*, by Luke Grant (pp. 192). A third is the *Report on the Colorado Strike*, by George P. West (pp. 189). As far as can be learned no provision has been made for the general distribution of these documents nor does inquiry secure any information as to how they may be purchased.

The State Board of Labor and Industries of Massachusetts has issued *Manual of the Labor Laws*, a compilation of the statutes relating to labor (Boston, 1 Beacon St., June, 1915, pp. 129).

Report No. 4 of the Department of Investigation and Statistics of the Industrial Commission of Ohio compiles *Industrial Accidents in Ohio, January 1 to June 30, 1914* (pp. 324).

In the bulletin issued August 1, 1915, by the Industrial Commission of Wisconsin is an analysis of the *Industrial Accidents* for the 2½ years ending December, 1914 (pp. 52). The tabulation includes 24,000 accidents. Analyses are presented by industries, by nature, extent, and location of injury, and by cause of accident.

The issue of the *Shoe Workers' Journal* for July, 1915, publishes the proceedings of the twelfth convention of the Boot and Shoe Workers' Union, held at Buffalo, June 21-29, 1915 (pp. 133). This report is of special interest on account of the large funds for benefits collected and distributed by the union.

The following reports deal with recent phases of the problem of unemployment:

Ontario Commission on Unemployment, Interim Report, July 20, 1915 (Toronto, 1915, pp. 11). This contains proposals for reducing un-

employment through organization of the labor market. It also recommends certain forms of insurance by grants from the government of loans to voluntary associations which undertake to provide employment benefits for their members.

Report upon Unemployment in the Winter of 1914-1915 in Detroit and the Institutions and Measures of Relief (pp. 30), by Walter A. Kruesi. Copies may be obtained by addressing Mr. James Inglis, president of the American Blower Company, Detroit, Michigan.

Report on the Problem of Unemployed during the Winter of 1914-1915 in the City of Portland, Oregon, by William L. Brewster, commissioner of public affairs (pp. 18). An account is given of the expenditures of certain funds during the last winter. Special provision was made for the cutting of wood in camps operated by the city.

Report on Relief of Destitute Unemployed, 1914-1915, made to Governor Johnson by the Commission of Immigration and Housing of California (San Francisco, Underwood Bldg., pp. 24). This continues the preliminary report made December 9, 1914, and gives a summary of the various local plans carried out in the different cities of the state of California.

Money, Prices, Credit, and Banking

INDEX NUMBERS FOR RETAIL PRICES. In Bulletin No. 156, *Retail Prices 1907 to December, 1914*, the federal Bureau of Labor Statistics discontinues its unweighted-simple-arithmetic-average-of-relative-prices index number and changes radically the method of computation of its weighted number.

Before discussing the relative merits of the old and new numbers it is desirable to draw attention to the fact that all index numbers based upon arithmetic averages are weighted, either explicitly or implicitly. In the so-called unweighted form each relative price may be considered as corresponding to the actual price (in dollars or cents) of the quantity purchasable for 100 (dollars or cents) in the base year. If eggs are 40 cents a dozen and sugar 5 cents a pound in the base year, the relative prices year by year correspond to the actual prices of $2\frac{1}{2}$ dozen eggs and 20 pounds of sugar. The resulting index number equals the sum of the actual prices of these chance quantities divided by a constant. The old unweighted "simple arithmetic average" number with base 1890-1899 was of this type. Its theoretical relation to the cost of living is rather problematical.

The old weighted numbers were constructed by multiplying the relative prices for each commodity for each year by the relative im-

portance of the *expenditure* of an average family on that commodity during the year 1901, totaling, and then dividing by the total of the "relative importance" column. If the base for the original relative prices had been 1901 instead of 1890-1899, this would have constituted an index number showing the relative expenditure necessary to procure, year by year, the *quantities* of each commodity consumed by an average family in 1901. Amount consumed and actual price would be contained in the 1901 expenditure figures and each relative price would have made an adjustment in the actual price such that the resulting product would equal expenditure on that commodity in the new year. However, the fact that the old relatives for 1901 on the 1890-1899 base do not, of course, each equal 100 introduces a disturbing element and makes calculation as necessary as in the case of the unweighted number if we are to discover just what quantities of each commodity are being considered.

The new weighted number is straight forward and explicit. It purposes simply to be an index of the relative expenditure necessary to purchase the 1901 *quantities*. Its construction indirectly amounts to multiplying the 1901 *quantity* of each commodity by the particular year's average *actual* price. The results are added and we have (theoretically) the actual amount of money necessary to purchase the 1901 *quantities* of the 15 commodities. Any year may now, of course, be called base, made 100, and the others proportioned.

The bureau, in this connection, remarks that with the old numbers, unlike with the new number, comparisons are, strictly speaking, only permissible between a year and the base period and not between two years neither of which is a base year. This is rather misleading. The fact of the matter is that comparisons between two years (neither a base year) are as legitimate in the one case as in the other. In either case they must be interpreted.

When we find the old simple average figure (base 1890-1899) for the United States for 1905 to be 118.3, and for 1913 to be 167.0, we may correctly say that the expenditure necessary to purchase the amount of each commodity purchasable for \$100 at the average prices of 1890-1899 was, in 1913, to the expenditure necessary in 1905 as 167.0 is to 118.3. We can do no more with the new index number. The only difference is that with the new number the quantities are explicitly stated and not hidden in the base.

Of course the common and unwarranted procedure is to assume that because 1905 is 118.3 and 1913, 167.0, therefore the expenditure necessary to purchase the amount of each commodity purchasable for

\$100 at the prices of 1905 was, in 1913, to the expenditure necessary to purchase the same quantities of each commodity in 1905 as 167.0 is to 118.3.

It is the bureau's intention to shift the base to "the last completed year" in each report, 1913 being the base year in this report. The fact is, of course, that in the new number there can be no base year in the sense that there was a base period in the old numbers. The weighting in the new number is constant and does not depend upon the position of the base.

The change from relative to actual prices runs throughout the new method. The old method of arriving at the yearly relative for each commodity for each geographical division (or for the United States) was to (1) compute a relative price for the year for the commodity for each firm quoting, (2) add the relatives of each firm in a city and divide by the number of firms in the city to get the city relative, (3) add the city relatives in a geographical division (or the United States), and divide by the number of cities to get a geographical division (or United States) relative.

The new method is to add the *actual* quotations of a commodity from each firm in the geographical division (or United States) and then divide by the number of firms. This gives the average *actual* price. Relatives are then simply constructed from these actuals by proportion.

The question is again one of weighting. If the thing desired is the average price of a particular commodity in the United States, perhaps the simplest weighting would be according to population. Now, under the old system of adding city relatives, Little Rock and New York City each count one. The geographical distribution of cities might be considered as remedying this to some extent, though the possibilities along this line are small. However, while the "Western" division with a population of less than 7 million (1910) had 6 quoting cities, the "North Atlantic" with a population of over 23 million had only 11.

Under the new system the weight of each city varies directly as the number of quoting firms (as each firm counts one no matter where it be situated). However, there is comparatively little relation between city population and the number of quoting firms. In the cities of the North Atlantic division the numbers of firms quoting sirloin steak are:

Boston	6	Scranton	5
Buffalo	5	Fall River	6
Manchester	6	Newark	7
New Haven	5	New York	16
Philadelphia	11	Pittsburgh	6
Providence	6	Schenectady	8

This seems rather haphazard. Figures run about the same for the other commodities.

If the new system were attempting to get an average actual price for the commodity in all the *quoting cities* by means of adding the actual quotations of each firm, it would seem to be desirable that the number of quoting firms in each city should vary directly as the population (an easily interpretable importance criterion). If it were attempting to get an average for the *whole country* (whether in quoting cities or not), it would further seem desirable to distribute the quoting cities over the country with some reference to general population density.

The bureau seems to have distributed its cities comparatively well. Its apportionment of firms to cities (the more important consideration) seems, however, decidedly poor. If the cities are to be weighted according to the number of reporting firms (which counting each firm one, results in), it does seem as though it would be desirable to attempt to get a little greater correlation between the cities' importance and the number of reporting firms. If this is not feasible, calculate city average actuals and use population weights.

The new method is a great improvement over the old mainly because its weighting tends to be conscious and rational rather than unconscious and accidental. In this short review it has been impossible to discuss details, or even to refer to the large number of clever refinements in method explained in the bulletin.

FREDERICK R. MACAULAY.

University of Washington.

Bulletin No. 170 of the United States Bureau of Labor Statistics is a report on *Foreign Food Prices as Affected by the War* (May, 1915, pp. 129) and is based largely upon the data furnished by the Department of State through its consular officers. It relates to the period between August and December, 1914.

No. 173, *Index Numbers of Wholesale Prices in the United States and Foreign Countries* (July, 1915, pp. 329), contains an introductory chapter by Wesley C. Mitchell on "The making and using of index numbers." It is hoped to have in a future issue of the REVIEW a more extended notice of this bulletin.

There has been reprinted by the Department of Agriculture *Coöperative Credit Associations in Certain European Countries and Their Relation to Agricultural Interests*, a report prepared in 1892 under the direction of Edward T. Peters, at that time statistician of the depart-

ment. This treated of the German credit unions, the Raiffeisen loan associations, people's banks in Austria Hungary, and coöperative banking in Italy and in Russia (pp. 121).

Further contributions to the subject of rural credit are: *How Building Associations Solve the Rural Credit Problem*, an address delivered by K. V. Haymaker before the Kansas State League of Local Building and Loan Associations, May 12, 1915 (American Building Association News, 15 West 6th St., Cincinnati, pp. 16); and *Some Bad Rural-Credit Laws*, by Myron T. Herrick, an address delivered before the Illinois Bankers' Association at Joliet, October 14, 1915 (pp. 11).

Recent reports of bankers' associations are: *Proceedings of the Fourth Convention of the New Mexico Bankers' Association*, November, 1914 (pp. 82); and *Proceedings of the Twenty-eighth Annual Convention of the Kansas Bankers' Association*, May, 1915 (pp. 251). The latter includes an address by Mr. Thornton Cooke on "Bank acceptances; The passing of the overdraft; and Savings departments in country banks" (pp. 80-87). Mr. Haymaker's address, above referred to, is also printed in this volume (pp. 150-162).

The receipt of the following bank reports is acknowledged:

The *Annual Report of the Commissioner of Banking and Insurance of New Jersey for 1914* (pp. 342).

Seventh Annual Report of the State Banking Department of Oregon, 1914 (pp. 89).

Fourth Biennial Report of the Bank Commissioner of Oklahoma, 1913-1914 (pp. 350).

The *Report of the Jewish Agricultural and Industrial Aid Society for 1914* shows that during that year 327 loans aggregating \$171,000 were made to 380 farmers occupying 323 individual farms in 19 states (New York, 174 Second Ave., pp. 67).

Public Finance

CENSUS REPORT ON WEALTH, DEBT, AND TAXATION. The report on *Wealth, Debt, and Taxation, 1913* (Washington, Department of Commerce, Bureau of the Census, 1915, pp. 886; 756) is published in two volumes and divided into eight parts: I, Estimated value of national wealth: 1850-1912; II, National and state indebtedness and funds and investments: 1870-1913; III, County and municipal indebtedness: 1913, 1902, and 1890; and sinking fund assets: 1913; IV, Taxation and revenue systems of state and local governments:

1912; V, Assessed valuation of property, and amounts and rates of levy: 1860-1912; VI, National and state revenues and expenditures: 1913 and 1903; and public properties of states; 1913; VII, County revenues and expenditures, and public properties: 1913; VIII, Municipal revenues and expenditures, and public properties: 1913.

Parts I, II, and IV have already been reviewed.¹ The present review considers the remaining parts.

In the presentation of the various topics the report follows in the main the lines of the report on *Wealth, Debt and Taxation* for 1903.² The striking facts which it brings out are the rapid growth of public revenue, expenditure and debt during the last ten years, and the great importance of the financial transactions of our cities as compared with those of our state and national governments. Taking the topics in the order in which they are presented, we find that as members of the nation we bear a per capita burden of indebtedness, less cash in the treasury, of \$10.59, as members of the individual states a per capita burden of debt, less sinking funds, of \$3.57 (ranging from nothing in Pennsylvania and West Virginia to \$22.78 in Massachusetts), and as members of counties a per capita burden of \$4.33 (ranging from nothing in Rhode Island to \$15.49 in Montana). If we live in a rural community of less than 2,500 inhabitants there is an additional burden of \$14.17 which increases to \$32.43 in communities of 2,500-8,000 (or \$172.15 if we happen to live in Anadarko, Oklahoma), to \$34.39 in communities of 8,000-30,000, and to \$74.86 in cities of 30,000 and over (ranging from \$8.01 in Springfield, Mo., to \$165.95 in New York).

The burden of national indebtedness has fortunately tended to decrease since the close of the Civil War. The rapid reduction of the debt ceased in 1891, since which time the aggregate amount has somewhat increased but the per capita debt has fallen from \$13.60 in that year to \$10.59 in 1913. From 1870 to 1909 the burden of state indebtedness has also shown a tendency to decline, the per capita debt, less sinking funds, falling from \$9.15 in the former to \$2.67 in the latter year. During the four years, 1909-1913, however, this figure increased (mainly as the result of increases in a few states) to \$3.57.

¹ See AMERICAN ECONOMIC REVIEW, vol. V (1915), pp. 166, 689.

² This report is frequently referred to as the report of 1902. Some of the figures in the report refer to 1902, others to 1903, as some of the figures in the present report refer to 1912 and others to 1913. The writer has followed the practice of the present report in referring to the earlier report as the report for 1903.

The per capita indebtedness of the local divisions of the states, on the other hand, has shown not only a constant tendency to increase but to increase at an accelerating rate. In 1890 the per capita indebtedness, less sinking funds, of these divisions was \$14.79; in 1902, \$20.74; and in 1913, \$35.81. All divisions of local government have shared in this increase. County indebtedness increased from \$2.51 in 1890 to \$2.80 in 1902 and to \$4.33 in 1913. The per capita figures for other divisions have unfortunately not been calculated but the aggregate net indebtedness of these divisions, exclusive of independent school districts, grew from \$744,239,610 in 1890 to \$1,387,316,976 in 1902, and to \$2,985,555,484 in 1913. The fact that in 1902 the school district debt included the debt of all districts in places of less than 8,000 population, while in 1913 the debt of districts in places of 2,500-8,000 was included in the debt of the larger division in which the district was situated, exaggerates somewhat, though not to an important extent, the increase between these dates. In the absence of per capita figures, it is impossible to compare the relative increase of the burden of debt in the various divisions smaller than the county. All that can be said is that the figures furnish no reason to conclude that the per capita indebtedness of the larger communities is increasing more rapidly than that of the smaller. Between 1902 and 1913 the increase of aggregate net debt was 112.1 per cent for places of over 30,000 population, 89.7 per cent for places with a population of 8,000-30,000, 182.8 per cent for places with a population of 2,500-8,000, and 129.2 per cent for places with a population of less than 2,500, other than school districts. The figure for places of 2,500-8,000 must, of course, be somewhat exaggerated by the change in the listing of school districts noted above. That school district debts have more than kept pace with those of other divisions is evident from the fact that while the indebtedness of such districts outside of places with 8,000 or more population was \$46,188,015 in 1902, in 1913 it was \$118,870,601 for districts outside of places with a population of 2,500 or over.

The present report on local indebtedness has introduced a distinct improvement by listing separately places with a population of 2,500-8,000 and grouping the divisions smaller than the county on the basis of population. It omits, however, a number of tables of great value contained in the earlier report, namely, those showing debt classified by purpose of issue, years of issue and maturity, and rate of interest. A comparison of the figures in the report with the statements of the financial officers of some of the larger cities reveals no substantial differences.

The section devoted to assessed value of property and amounts of tax levy presents the facts in the same form as the report for 1902, with the exception that it omits the table showing the tax rate calculated on the estimated true value of property, and adds a table showing the aggregate and per capita assessed value of property and taxes levied for each incorporated place with a population of 2,500 or over. The facts that the classifications of property follow the statutory classifications of the various states, that they are extremely general in character (real estate, personal property, and other property), and that there is no determination of the relation of assessed value to true value make it impossible to draw any but the most general conclusions. The first fact which stands out prominently is the great increase in assessed values during the period 1902-1913. Real estate increased 96.3 per cent, as compared with an increase of 39 per cent for the period 1890 to 1902. Of the different sections New England showed the smallest increase, 36.6 per cent, and the West South Central division the largest, 190.9 per cent, due mainly to an increase of 2,001.7 per cent in Oklahoma. The next largest increase was shown by the Pacific States, 179.6 per cent, followed by the Western North Central division, 123.6 per cent, largely contributed to by an increase of 642.9 per cent in Kansas. These increases, of course, reflect, in the main, the increase in the value of agricultural land shown in the census of 1910.

On the face of the figures the proportion of real estate to total property assessed has undergone practically no change since 1880. It contributed 76 per cent of the total in that year and between 74 and 75 per cent in 1890, 1902, and 1913. The accuracy of the classification of property is, however, open to question. The present report shows an increase of 62.8 per cent in personal and 257.5 per cent in "other" property (the report, vol. I, p. 721, states the increase in personal property at 97.2, but this includes "other" property with personal property). In Maryland and Idaho, however, which showed personal property assessments of \$175,658,780 and \$16,051,910 respectively in 1902, personal property is included with real estate in the present report. Pennsylvania in 1902 showed \$853,990,031 of personal property and \$134,252,446 of "other" property. The present report shows \$247,038,877 of personal property with nothing for "other" property. The report of the auditor general of Pennsylvania for 1912 (p. 742) shows an assessment of intangible personal property amounting to \$1,266,095,982. The correction of this apparent error would make a difference of 8 per cent in the total per-

sonal property assessment for the country as a whole. Minnesota, Iowa, and Rhode Island, which since 1902 have introduced the system of taxing intangible property at a low uniform rate, all show large increases in the assessment of personal property (the text calls attention to this change of system in the case of Minnesota but not in the case of the other states), but so do some other states, notably Kansas, North Dakota, West Virginia, and North Carolina.

Ad valorem taxes also increased more rapidly between 1902 and 1912 than during earlier periods, but not so rapidly as assessed valuation. The per capita assessment of ad valorem taxes in 1912 for the country as a whole was \$13.91 as compared with \$9.22 in 1902, and \$7.53 in 1890, an increase shared by all the states, but the amount per \$100 of assessed value was \$1.94 in 1912 as compared with \$2.05 in 1902 and \$1.85 in 1890. The highest per capita rate, \$23.28, was in the Pacific States, California leading with \$23.50; the lowest, \$5.95, in the South Central States. The state with the lowest rate, \$4.33, was North Carolina. Apparently the proportion of ad valorem taxes which goes to the support of schools has remained practically unchanged at 29 per cent.

In the sections devoted to revenue and expenditure a distinct step in advance is taken by including the per capita as well as the actual figures and by reducing the minimum population limit of incorporated places, separately listed, to 2,500. In 1890 the lower limit was 4,000. No investigation of municipal revenue and expenditure was made in connection with the report for 1903, which used the summaries for cities of 8,000-30,000 and 25,000 and over, taken from Bulletins 20 and 45 of the Bureau of the Census previously published. The earlier reports contain estimates for the minor divisions not treated individually. The present report does not.

The per capita revenue receipts and governmental cost payments of the various divisions of government in 1913 were: national government, \$9.82, \$9.81; states, \$3.80, \$3.95; counties, \$4.32, \$4.49; incorporated places of 30,000 population and over, \$27.78, \$31.77; places of 8,000-25,000 population, \$17.59, \$18.62; and places of 2,500-8,000 population, \$17.16, \$18.48.

The New England states (with the exception of New Hampshire), New York, Wisconsin, Minnesota, Maryland, the Mountain states (with the exception of Colorado and New Mexico), and California show high per capita expenditures for state governments, ranging from \$5.27 in Maryland to \$10.45 in Nevada or \$7.98 in California, the state with the next highest figure. The figures are low in the

Southern (\$1.46 in North Carolina and South Carolina) and in many of the Central and Western states. County expenditures are highest in the Pacific states, \$15.45 (\$20.67 in California). Next come the Mountain states, \$9.47, and Western North Central states, \$5.19. All other sections show an average below the general average for the country, the average for New England being only \$1.06.

Incorporated places are not grouped geographically, but here again California leads with \$49.74, although for places of 30,000 and over; Nebraska shows \$67.47 as compared with California's \$53.63, due to an expenditure of \$82.27 in Omaha. The other Pacific states fall little below California. With the exception of New Mexico and Vermont, which contain no places with a population in excess of 30,000, the lowest figures are found in the Southern states, ranging from \$14.15 in Alabama to \$22.38 in Florida. The very high figures of the Pacific states are due chiefly to large expenditures for outlays. With this item eliminated, New York would show the highest figure, \$28.21, as compared with \$25.72 for California. It would have been extremely helpful in the interpretation of the figures for expenditures if the report had included a column showing total expenditures less expenditures for outlays.

There is a natural inclination to make a comparison between the figures for 1913 and those of ten years earlier. The present report does this for the states only. Per capita revenue receipts of states increased from \$2.34 to \$3.80 and governmental cost payments from \$2.30 to \$3.95. This increase was shared by every state with the exception of South Carolina, where the decrease was due to the great falling off in the receipts and expenditures on account of the liquor dispensary system. The most marked change on the revenue side has been the growth in the importance of special forms of taxation. While the general property tax increased from \$1.02 to \$1.44 per capita, special property and business taxes increased from \$0.65 to \$1.25. The report gives the figures for two groups of taxes which have contributed to this result, the inheritance tax and the taxes on insurance companies. Receipts from the former are shown in 35 states as compared with 27 in 1903, and the per capita revenue from this source for the country as a whole, increased from 9 to 27 cents, or 7.1 per cent of all state revenues. In New York the yield of the tax was over 23 per cent of the total revenue of the state in 1913 and in Connecticut 20 per cent. The yield of insurance taxes increased from 8 to 18 cents per capita. It is notable, however, that notwithstanding the increase in special property and business taxes the per capita revenue from the general property tax shows a decided in-

crease in every geographical division with the exception of the Pacific states, among which California is the dominating factor. As a result of the changes in the revenue of that state during the interval between the two reports, the per capita revenue from the general property tax has declined from \$2.81 to \$0.51 cents, while the revenue from special property and business taxes has increased from \$0.28 to \$4.68. Other individual states which show a decline in the revenue from general property taxes are Ohio (\$1.31 to \$0.59), Pennsylvania (52 to 15 cents), New York (90 to 64 cents), Vermont (68 to 51 cents), Connecticut (17 cents to nothing), and West Virginia (82 to 23 cents). Delaware and Connecticut are the only states which received no income from this source. Apparently there were ten states in 1903 and eleven in 1913 in which the revenue from special property and business taxes exceeded revenue from the general property tax. The states for which this holds true for both years are Vermont, Massachusetts, Connecticut, New York, Pennsylvania, Delaware, and Minnesota. The states of which it was true in 1903 but not in 1913 are Maine, Michigan, and New Jersey. Those of which it was true in 1913 but not in 1903 are Rhode Island, West Virginia, Ohio, and California.

All of these figures and statements, however, require careful interpretation. They are affected by changes in classification, which may or may not be justifiable, but which are not noted in the text, and in some cases apparently by absolute errors in classification. The writer is utterly unable to reconcile, *e.g.*, the classification of receipts for Rhode Island with the facts as stated in the report of the state treasurer. The decline in the receipts from the general property tax in Pennsylvania is evidently due to the fact that in 1903 the total receipts from the personal property tax were included and the amount distributed to counties included among expenditures, while in 1913 the amount distributed to counties was excluded from both receipts and expenditures. The change in the condition of Michigan and New Jersey, in regard to the relative importance of the general property tax and special property and business taxes, is evidently due to the fact that in 1903 railroad taxes were included with the latter, while in 1913 they were included with the former. The text dealing with the state finances in the present report is in fact far from satisfactory. The report for 1903 specified in the text the sources of receipts from special property taxes and business taxes, thereby furnishing additional information of value and giving a clue to the classification followed in the tables. There is nothing of the sort in the present report.

On the side of expenditures the most notable change is in the item "outlays," the per capita figure for which was 3 cents in 1903 and 50 cents in 1913. It is implied in the text that this increase is due in part to a more complete separation of outlays in 1913 than in 1903, but that it is in the main real is clear from the fact that one third of the \$48,433,678 expended for outlays in 1913 was on account of canal construction in New York, for which there was no expenditure in 1903, and over one fourth was for highway construction, expenditure for which we know has greatly increased since 1903. There are other items also which it would seem must have been exceptionally large in 1913: \$1,460,902 for buildings for charities and corrections in Pennsylvania, \$1,158,209 for a like purpose and \$1,116,092 for educational buildings in Minnesota, and \$1,299,348 for educational buildings and \$1,346,174 for harbor improvement in California.

Per capita expenditures for current expenses show an increase in all departments of expenditure with the exception of health and sanitation, recreation, and public service enterprises, in the case of which they remain unchanged, and "miscellaneous" in which there is a decline from 12 to 4 cents, apparently the result of more complete classification in 1913. The divisions which show high percentages of increase are protection of person and property (8 to 26 cents) and highways (6 to 14 cents). Expenditures for general government increased from 32 to 42 cents; for interest, from 12 to 15 cents; charities and corrections, from 65 to 90 cents; and for education from \$0.80 to \$1.34. It will be noted that the last two items account for 57 per cent of all state expenditures.

The 1903 report gives neither the per capita figure for counties nor the population of the counties included in the report, but assuming that the population of counties, with independent financial organization, comprised the same percentage of the total population in 1903 as in 1913, the per capita revenue receipts of counties were \$2.79 in the former as compared with \$4.32 in the latter year, and per capita governmental cost payments \$2.77 as compared with \$4.49. There was apparently no important change in the make-up of the revenue. In 1903 the general property tax yielded 72 per cent and in 1913, 74 per cent of the total revenues. On the side of expenditures an increase for outlays (from \$0.31 to \$1.05), similar to that in the case of states, took place. It is unfortunate that while the report for 1903 gave the details of outlays by counties, but not by the states, the present report gives the details for the states but not for counties. It is impossible, therefore, to analyze this increase. Dif-

ferences in the classifications employed and lack of any definite statement in the text as to what is included under such general headings as "protection of person and property" and "charities, hospitals and corrections" make impossible also the analysis of the increase in expenditures for current expenses. From statements in connection with particular states (*e.g.*, Alabama, Indiana) it appears that expenditures for jails and registers of deeds constitute the principal elements in county expenditures for protection of person and property, although in the introduction to the financial statistics of the states, expenditures of penitentiaries are, it is stated, included with charities and corrections. Apparently, however, the increase of county expenses was pretty evenly distributed among the various items.

The 1903 report gave the financial statistics of cities of 8,000 population and over. As in the case of counties, however, it gave no per capita figures. It also drew the line between the larger and smaller cities at 25,000 population, while the present report draws it at 30,000. Using the population figures found in Census Bulletins 20 and 45, from which the report for 1903 took its figures for cities, we find the per capita revenue of cities of over 25,000 population was \$20.49 and that of cities of 8,000-25,000 population, \$13.37, while the per capita expenditure was \$22.61 and \$14.65. In 1913 the per capita revenue of cities with a population of 30,000 or over was \$27.78 and of cities with a population of 8,000-30,000, \$17.59. The per capita expenditure was \$31.77 and \$18.62 respectively. Allowing for the fact that the figures for the group with over 25,000 population apparently refer to 1902 and those for the group with 8,000-25,000 population to 1903, there seems to have been a substantially uniform rate of growth for the two groups. Here again differences in classification make comparisons in detail difficult. The most noticeable change on the revenue side of the account is the relatively rapid increase in the yield of special assessments, from \$1.26 to \$2.39 in the larger, and from \$0.81 to \$1.71 in the smaller cities. The most notable changes on the side of expenditures are the great increase of payments for interest (from \$2.06 to \$3.57 per capita) and for outlays (from \$6.27 to \$10.07 per capita) in the larger cities. No detail for outlays is given in either report.

It is impossible to state with accuracy the total per capita expenditure for all divisions of government, but the figures which we have indicate that it has increased from about \$21 to slightly over \$30 during the ten-year period, the excess in the percentage of increase, as compared with the percentage of increase of the separate divisions

discussed above, being due to the increase in the percentage of population living in the larger cities.

Appended to the tables of revenue and expenditure for each division are tables showing the value of public properties (including land and improvements, other than such as have a value in community use, but not in exchange, as highway paving, sewers, etc.) and other equipment having a life of more than one year, and in a summary table (vol. II, p. 14) these figures are combined with those contained in the section on indebtedness, showing cash on hand and securities in productive funds,³ exclusive, however, of the value of the land in such funds. Public property so figured amounted, as stated in the summary table, to \$6,152,572,012. The tables in connection with the separate divisions add up, however, to \$6,158,855,561, of which \$788,893,656 represented the assets of investment and public trust funds, \$1,562,178,165 the property of public service enterprises and \$3,807,783,740 the property of the other departments. Of the total amount, \$1,185,804,162 belonged to the states, \$586,003,475 to the counties, and \$4,387,047,924 to municipalities. The only comparable figure for 1903 is that for counties, \$493,952,518.

The editing of the report might certainly be improved. Some of its shortcomings have already been noted. The specific expenditures which make up the general classes of expenditure are not stated in connection with county and municipal expenditures. On page 11, volume II, it is stated, "The data presented for incorporated places include the transactions for school and other independent districts when they are practically coextensive with the incorporated places. . . . Certain civil divisions, such as townships, road, drainage, irrigation, and levee districts, etc., and school districts in incorporated places of less than 2500 inhabitants are not reported." This certainly gives the impression that the accounts of school districts in places of 2500 population or over are included with the figures for such places, but on page 399 of the same volume it is stated, in connection with the tables of expenditures for such places, "The payments for expenses of highways and schools do not include those made by independent road and school districts, the payments shown in these tables being only such as are made from municipal revenues." On page 232, volume I, it is stated that table IV will be found on pages 20 and 21. These pages refer to the pamphlet issue. The table is

³ The statement is made (vol. II, p. 13) that these figures do not include sinking fund assets, but the figure for states includes the figure for funds and investments of states, given on p. 37 of vol. I, which is there stated to include sinking fund assets. The amount of such assets was \$76,980,571.

on pages 238 and 239. Estimates for places not covered in detail aside, the present report is more comprehensive, and probably as reliable, on the whole, as earlier reports. It also makes a more extensive use of per capita figures. There is room, however, for substantial improvement.

HENRY B. GARDNER.

Brown University.

NEBRASKA REPORT ON REVENUE AND TAXATION. A welcome addition to the numerous reports relating to taxation in the various states is made in the *Report of the Special Commission on Revenue and Taxation* (Lincoln, 1914, pp. 243) which has been submitted to the governor of Nebraska by a commission appointed in 1913. The irresponsible and unintelligent method of making appropriations is indicated and it is suggested that the governor be charged with the duty of submitting a budget to the legislature; the various taxes employed are reviewed in the light of the data available and recommendations are made in view of good principles, experience in other states, and political expediency. The report presents little if anything new to the student of taxation, but has merit in the common sense and good judgment displayed in the criticisms of suggestions offered and in the recommendations made. The best of the several chapters is that (ch. 7) relating to the separation of the sources of revenue. The discussion of this subject is the best ever seen by the reviewer in an official report.

In line with recent thought, the commission maintains that little can be accomplished without efficient administration and recommends that the elected township assessors be replaced by elected county assessors charged with making the original assessments, and that the State Board of Equalization of Assessments be replaced by a permanent state tax commission with the duties now performed by such bodies in the more advanced commonwealths. Numerous suggestions are made as to methods of improving assessments, such as the employment of experts in an advisory capacity and the classification of lands. Numerous changes in the tax laws are suggested. The commission favors an income tax, but wisely suggests that it should not be adopted until efficient and centralized administrative machinery has been developed and placed upon a firm basis. For the time being, it advocates the "graded property tax" with a 3 or 4 mill rate on intangibles (credits, franchises, etc.), and the assessment of improvements at 75 per cent of the true values, lands to be assessed at their

full value. These changes would require the adoption of amendments to the constitution then before the electors for their decision. The commission recommends that the taxation of private car companies, insurance companies, and some other corporations be made more logical and more effective, in any event. It advocates, also, the imposition of privilege taxes upon the manufacturers of and dealers in alcoholic drinks and tobaccos as a method of taxing the consumers of these non-necessaries, publicity of assessments, and the exemption from taxation of household goods to the value of \$200 for the head of each family.

H. A. MILLIS.

University of Kansas.

A further instalment of the report of the Commissioner of Corporations on the *Taxation of Corporations* has been made in *Part VI—Southern and Southwestern States* (March 15, 1915, pp. 328). It is estimated that the total taxes collected annually for purely state purposes, in the whole country, is \$300,000,000. Of this the corporations contribute about \$120,000,000.

The *Report of the Committee on the Federal Income Tax* submitted at the annual conference of the National Tax Association in San Francisco, August, 1915, has been printed as a separate (pp. 38). Copies may be had from the office of the treasurer, 15 Dey St., New York City.

William H. Lough, special agent of the Department of Commerce, has prepared as Special Agents Series No. 103 a report on *Financial Developments in South American Countries* (Washington, 1915, pp. 42). The countries covered are Argentina, Brazil, Bolivia, Chile, Peru, and Uruguay. More particularly the experience of the year 1914 and the first part of 1915 is reviewed.

The following state tax commission reports are to be noted:

The *Report of the Tax Commission of Alabama* for the year ending September 30, 1914 (pp. 136). In this are some interesting statistical maps based upon the annual report of the auditor. One of the charts shows the percentage of increase in assessments of all property of the state from 1906-1914. Another shows the increase in valuation for all the property from 1876-1914. A third shows the increase in receipts and disbursements from 1900 to 1914. Other diagrams are also included.

The *Fifth Annual Report of the Tax Commission of Ohio*, 1914 (Columbus, 1915, pp. 502).

The *Third Biennial Report of the State Tax Commission of Oregon*, 1915 (pp. 79).

A paper has been recently published by the California State Tax Association, *The Problem of High Taxes in San Francisco* (1915, pp. 120), which discusses some of the causes of waste and inefficiency in transacting the city's business.

The Government of the City of New York, Vol. VI, No. 3 (Apr., 1915) of the *Proceedings* of the Academy of Political Science in the City of New York, contains a chapter (15 pp.) on "Financial administration, budget and tax rate," by William A. Prendergast with remarks by Thomas W. Lamont and Edwin R. A. Seligman.

Demography

The Bureau of the Census has issued *Index to Occupations, Alphabetical and Classified* (Washington, 1915, pp. 414). The classification is that followed in the general tables of the *Thirteenth Census Report on Occupations* with a slight exception. It will be used by the Bureau of the Census in classifying occupations returned on death certificates so that the occupation statistics in the reports on vital statistics will be comparable with those of the *Thirteenth Census Report on Occupations*.

A special report on *The Foreign Population of Canada* has been issued by the Census and Statistics Office (Ottawa, 62 pp., 23 tables). The data are abstracted from the records of the census of 1911. It is shown that the foreign population is distributed as between hostile, allied, and neutral countries as follows: hostile, 165,775; allied, 169,729; neutral, 417,228.

Social Problems

Housing reports to be noted are as follows:

The Housing Problem in Minneapolis, a preliminary investigation made for the committee on housing of the Minneapolis Civic and Commerce Association (1915, pp. 111, illus.), deals in detail with problems of insanitation and legislation. The survey covers 96 apartments.

Report Relative to the Construction, Alteration and Maintenance of Buildings (Boston, H. Doc. 1750, Feb., 1915, pp. 160), made by the Massachusetts commission to investigate building laws, contains, in

addition to 20 pages of text, the full suggestion for "an act relating to the construction, alteration, and maintenance of buildings throughout the commonwealth." Sections dealing with construction and materials are especially well drawn.

Advisory Pamphlet on Camp Sanitation and Housing (July, 1914, pp. 54) and *Advisory Pamphlet to Employers* (pp. 7, illus.) are published by the Commission of Immigration and Housing of California (San Francisco). The first pamphlet gives advice to owners of labor camps as to location and lay-out of camps, water supply, tents, toilets, disposal of refuse, reduction of fly and mosquito nuisance, etc. The second sets forth the state requirements as to labor camp sanitation.

Eleventh Report of the Board of Tenement House Supervision of New Jersey (Paterson, 1915, pp. 106).

Housing Laws. A Summary of the More Important Provisions in City and State Codes (1914, pp. 127) has been prepared for the Housing Committee of the Minneapolis Civic and Commerce Association. Provisions of housing laws of 20 cities and 10 states, together with Mr. Veiller's model housing law, are grouped under the main headings: I, Definitions; II, Fire provisions; III, Light and ventilation; IV, Sanitary provisions; V, Requirements and remedies. Each heading is subdivided in the usual manner. No comments are offered; a very useful handbook of housing legislation.

Classified Selected List of References on City Planning (Boston, National Conference on City Planning, 1915, pp. 48) is a carefully classified collection of titles in English, French, and German. Among the subtopics the following of interest to economists are included: housing, markets and food supply, land values, taxation, municipal finances, business and industrial districts, traffic data, railroads, and land subdivision.

Houses for Mining Towns, by Joseph H. White (Washington, Bureau of Mines Bull. 87, 1914, pp. 64, illus.), submits detailed suggestions for construction of houses in mining villages.

Right Methods in a Housing Bureau, by Robert E. Todd (Detroit Housing Association, Jan., 1915, pp. 16, illus.), is a technical treatment of methods of preparing and filing records in a housing bureau.

The Second Annual Report of the Homestead Commission of Massachusetts (1914, pp. 144) contains a list of improved housing companies in the different parts of the United States.

JAMES FORD.

Insurance and Pensions

The Insurance Society of New York has added to its list of pamphlet publications: *Non-liability Matter*, by William B. Ellison (pp. 26);

Adjustment of Stock Losses, by D. C. Brown (pp. 12); *Increase of Hazard*, by Hartwell Cabell (pp. 23); *Mortgagee Clause*, by Leo Levy (pp. 14); and *The Adjustment of Building Losses*, by W. R. Freeman (pp. 21).

In April, 1915, a committee was appointed by the National Convention of Insurance Commissioners to cooperate with the Actuarial Society of America in the construction of a new mortality table. A report on a tentative plan has been printed (Aug. 25, 1915, pp. 15). Reprints may be obtained from the Superintendent of Insurance, Albany, N. Y.

Other insurance pamphlets to be noted are: *Wherein Have Insurance Conditions Improved during the Past Twenty Years in the Field of Life Insurance*, by Henry D. Appleton, deputy superintendent of insurance of New York, an address delivered before the National Convention of Insurance Commissioners, September 21, 1915 (pp. 21); *Supervision and Regulation of Fire Insurance Rates and Rate-Making*, by Jesse S. Phillips, superintendent of insurance of New York, also delivered before the National Convention of Insurance Commissioners (pp. 5); *Sickness Insurance*, prepared for the Committee on Social and Industrial Justice of the Progressive National Service (95 Madison Ave., New York, pp. 60); and, also published by the Progressive National Service, *Unemployment Insurance* (pp. 21), by Katharine Coman, and *Standards of Workmen's Compensation with Annotations* (pp. 61).

The Industrial Accident Board of Massachusetts has published volume II of its *Reports of Cases under the Workmen's Compensation Act* including the experience between July 1, 1913, to June 30, 1914 (Boston, pp. 894).

The *Annual Report of the State Workmen's Compensation Commission* of New York (Albany, 1915, pp. 151) contains some 30 pages in regard to the formulas for present value of death benefits.

A *Report on Old Age Relief* has been prepared by the Industrial Commission of Wisconsin (Madison, Mar. 1, 1915, pp. 76). Among the topics are: "The problem of old age dependence," "Methods of old age relief," "The condition of the aged in Wisconsin," and "Foreign systems of old age relief." This commission has also issued a pamphlet on *Workmen's Compensation Insurance* (June 1, 1915, pp. 47).